

DDA<sup>80</sup> 514/4

POM 8-1

10 apr 80

MEMORANDUM FOR: Deputy Director for National Foreign Assessment  
Deputy Director for Operations  
Deputy Director for Science and Technology  
Deputy Director for Administration

FROM: Frank C. Carlucci  
Deputy Director of Central Intelligence

SUBJECT: Statement of Policy on the Authority of Contracting  
Officers in the Central Intelligence Agency

STAT REFERENCES:

(a)

(b)

1. The National Security Act of 1947 and the CIA Act of 1949 confer certain very important special authorities on the Director and the Agency. These give the Agency the security and flexibility which are essential to carry out its mission. They imply, however, an equivalent special responsibility that the Agency conduct its affairs in a manner beyond reproach, in the classic phrase "above suspicion," of impropriety or incompetence. This is of particular importance in the management of the contracts the Agency executes to carry out many of its functions. Since the Agency has decentralized the responsibility for R&D contracting to operating Directorates, it is important that all concerned be clear as to their specific responsibilities to assist the Director in implementing the special responsibility and authority conferred on him.

2. The referent publications are specific in delineating the authority of Agency contracting officers, delegated from either the Director of Central Intelligence or the Director of Logistics. To insure that contracting officers are fully able to exercise the Agency's responsibility, as well as its authority, I ask that each Deputy Director take the necessary steps to insure that the referent contracting procedures, designed to protect the integrity and business interests of this Agency, are fully enforced. I specifically request that each Deputy Director insure that the internal procedures of his Directorate are structured to bring contracting officers into the preprocurement planning cycle at the earliest possible point in time and in any event before proposals are solicited or unsolicited proposals are acted upon. Contracting officers must be afforded every opportunity to participate in and review proposed procurement plans and to maintain an intimate knowledge of the procurement until it is completed.

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3. While the formal responsibility and authority of contracting officers are clearly stated in referent publications, confusion sometimes exists as to the role of other Agency personnel participating in a project involving contracts. To clarify this matter for all personnel, I have outlined below a series of points which I would ask you to bring to the attention of your personnel, particularly your program directors and technical officers who are or may be involved in the procurement of research, development, services and/or production. These will also be included in appropriate training and briefing materials for all concerned personnel:

a. Agency contracting officers have the final responsibility for executing contractual documents and for determining their compliance with applicable laws, Agency regulations, and Federal procurement regulations. Inherent in this responsibility is the protection of the interests of the Government and the reputation of the Agency for integrity and fair dealings in all contractual and precontractual relations with contractors and their representatives.

b. All employees of this Agency are agents of the U.S. Government who can only act within the scope of authority conferred on them before the Government can be held contractually liable as a result. No employee of this Agency may initiate a course of action, including a change to an existing contract, with any individual, company, or institution which commits the Agency to pay for any service, equipment, materiel, study or anything of value without express delegation of such authority. Thus, no employee of this Agency may commit or promise to commit the Agency in any manner or make representations which might be construed as binding upon the Government in a contractual matter without delegated contracting authority.

c. Unauthorized acts of Agency employees with respect to contracts may result in claims from contractors for unplanned expenditures of Government funds, litigation with private concerns, delays in operationally related procurements, and unfavorable exposure to both the general public and the Congress of the United States. Such unauthorized acts of employees cannot be tolerated.

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d. All employees participating in any way in contract relationships will insure that all matters affecting the scope, finances, performance, term, or any other aspect of the contract are made known to the contracting officer for appropriate action with respect to the contract.

<sup>15/</sup>  
Frank C. Carlucci

per SOA/Reg.  
Roy 7/1/80

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**Originating Office:**

/s/ James H. McDonald  
Director of Logistics

27 MAR 1980  
Date

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